

Two bidders in race for Virgin Australia

June 2 2020



Two US-based equity firms have been identified as potential buyers of distressed airline Virgin Australia

Virgin Australia's administrators announced Tuesday they had narrowed the pool of interested buyers to two US-based private equity firms, weeks after the carrier buckled under the strain of the coronavirus pandemic.

Virgin Australia Group went into voluntary administration in late April as the global aviation industry came to a halt amid international border closures designed to slow the spread of coronavirus.

The airline was more than Aus\$5 billion (\$3.2 billion) in debt and had appealed for an Aus\$1.4 billion loan to stay afloat, but the government refused to bail out the majority foreign-owned company.

Administrator Vaughan Strawbridge, from accounting firm Deloitte, said Tuesday that private equity firms Bain Capital and Cyrus Capital Partners had been shortlisted from a pool of five bidders.

He said both US-based investment houses were "well-funded, have deep aviation experience, and they see real value in the business and its future".

"We will now spend the coming weeks facilitating in-depth [bidder](#) engagement with the stakeholders of the business and work closely with both preferred bidders in the lead up to binding final offers being received," Strawbridge added.

The airline has continued operating limited domestic routes and government-backed flights to bring Australians home from overseas during the coronavirus crisis.

About 1,000 staff were made redundant before the carrier went into voluntary administration while 8,000 others were furloughed, leaving just 1,000 still working.

Administrators say they plan to reach an agreement with the successful bidder by June 30.

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